The next three years witnessed eleven failures, which practically wiped out the safety fund and compelled calls upon the solvent banks to make it good. The redemption of notes was suspended after the first four failures, because the fund was deemed no more than sufficient to cover their liabilities, but the Act of 1842 permitted the banks to anticipate their annual contributions by as much as six years in some cases and to pay into the fund at par the notes of the failed banks. The banks very generally took advantage of this provision and made a good profit on notes of the failed banks which had fallen into their hands at a considerable discount. Their advance payments did not involve a loss of interest, as the original law required the investment of the bank fund and the payment of interest to the banks, and the Act of 1842 granted seven per cent, interest on the advance payments. Redemptions of notes up to September 30, 1850, were $1,614,577 and payments to other creditors up to 1851 were $1,088,109.

The failure of the Lewis County Bank in November, 1854, with deposits of only $1,998 and outstanding notes for $148,-545, found the safety fund no longer adequate to redeem circulation. Future contributions up to 1860 were pledged for the redemption of the public stocks which had been issued to obtain ready money to provide for previous failures. The notes of the I^ewis County Bank were finally redeemed twelve years later and the notes of the three banks which failed in 1857 were provided for out of their assets. The total contributions to the safety fund from its creation to the abolition of the system were $3,104,999.

The safety fund system broke down primarily because the fund was made to cover all liabilities instead of simply the liability for note issues. The fact that another system was adopted for banks organized after 1838 also operated to the injury of the safety fund system, because no new banks became contributors and the failure and withdrawal of some of the old ones gradually reduced the number over whose resources the liability was distributed. Another evil by no means inherent in the safety fund system, but which